November 30, 2021

Gina-Louise Sciarra, Council President And Members of Northampton City Council Northampton City Council 210 Main Street, #18 Northampton, MA 01060

Re: <u>Support for An Ordinance Extending the Effective Date of Section 272-18 to July 1, 2022</u>

Dear Council President Sciarra and members of the Northampton City Council,

I am writing to you to state our support for the proposed Ordinance Extending the Effective Date of Section 272-18 to July 1, 2022 (a compromise date reached through conversation between myself and Councilor Maiore) and to offer some context to this request, brought in light of the continuing challenges - particularly in the areas of supply chain and inflation - significantly impacting restaurants nation-wide, including here in our downtown community.

A November 1, 2021 letter from the National Restaurant Association highlighted the 'massive supply shortages and delays while food costs are soaring', citing data that indicates 95% of restaurants are experiencing significant supply delays or food shortages, with wholesale food and commodity prices soaring in 2021, particularly during this fall season.

I have reached out to our local restaurant community, and found that this experience is being felt downtown as well. A few cost increase examples provided by downtown restaurants:

- Rubber gloves (used nonstop) have gone up from \$10 / case to \$37.38 to \$48.46
- Blackberries went from \$27.80 / case in January, 2020 to \$41.15 / case now
- Avocados, which were \$48/case pre-COVID are now \$95/case
- Romaine lettuce, pre-COVID was \$27/case; now it is \$55/case

More specific to the Ordinance itself, the cost of paper and recyclable products are increasing as well. Again, from our downtown restaurants:

- Hinged lid containers used for take-out:
 - Original plastic container pricing: \$.07
 - 'Earth choice' container (more environmentally-friendly, but will not be allowable under the new ordinance because it is plastic-lined):
 \$.36/container (when available)
 - Biodegradable Fiber container (what would be required under the new Ordinance): \$1.36 / container

For a restaurant which uses roughly 500 of these containers a week, this is a dramatic price increase, particularly in light of the significant price increases in other areas, as mentioned above. And those price increases are when items are available. As one restaurant noted, "(b)ased on the supply chain, it is not at all feasible to institute this [ordinance] so soon... We are trying to be responsible and ease into greener products, but you can't just get them from any suppliers. Plastics are hard to track down as well, so ordering is just a mix and match venture of whatever we can get, and the more options we have to work with right now, the better...."

Another restaurant offered the following supply chain example: "I've had a case of compostable straws on order since the last week of September that we have not received and that we have received word from the company that they 'do not have a clue when it may be received."

Yet another: "[We] started transitioning to compostable to-go wares years ago, yet over the past year we've had to substitute conventional products from time to time because it was that or nothing.... We spend up to 4 hours per week chasing supplies. This was something we did in a few minutes per month in the times before."

Another downtown restaurant prospective: "While a majority of our products would fit under this updated ordinance, we have constantly had to adjust what we are able to bring in due to the supply chain issues and the subsequent...delays, shortages it has created. Requiring businesses to make these necessary changes at this time would be incredibly detrimental to our ongoing recovery both possibly financially, and absolutely from a timing / stress perspective.... I am ALL FOR this ordinance and the reasons behind implementing them, but the industries most impacted by this are those that are

most impacted by the pandemic and still trying (and many failing) to recover."1

These cost and supply chain issues are being faced at the same time as outdoor dining comes to a close for most, and the winter season - with increased worries about COVID - gets underway. Simultaneously, the restaurant industry is struggling with the staffing shortages and increased labor costs being felt throughout so many industries.

In addition, we would note that the City of Northampton has no City-wide residential composting program in place to date (that we are aware of). As a result, should these restaurants somehow source the appropriate materials at inflated prices (if available at all), the likelihood is high that they will be taken home by the consumer and never composted. Absent a municipal solution on the disposal side of the transaction, this Ordinance is not accomplishing what it has set out to do. Additional time to implement would enable the City to create and act on plans for addressing composting locally.

Our small business community is far from recovered - the recovery period is just beginning, and implementation of this Ordinance at this moment in time will be detrimental to those recovery efforts. We respectfully request that the City Council reconsider the January, 2022 implementation date for this Ordinance, to allow time for the supply chain and pricing increases to stabilize nation-wide, and to enable our restaurants the time they desperately need to stand on more solid financial ground. We support Councilor Maiore's proposed Ordinance Extending the Effective Date of Section 272-18 to July 1, 2022; we also caution that given the uncertainty surrounding COVID, supply chain dynamics and commodities pricing, it is entirely possible that we will need to request future extensions. We will keep in close touch with the restaurant community during this extension period and would be happy to provide an update to the City Council as July 1, 2022 draws near.

If you or any City Council members have any questions, please feel free to reach out to me directly at (413) 387-5145 or amy@northamptondna.com.

_

¹ In the interests of transparency, we did hear from one non-restaurant business also impacted by this Ordinance, who indicated that they are not experiencing any supply issues, and who is in favor of implementing the Ordinance as scheduled.

With gratitude,

Amy Cahillane, Executive Director Downtown Northampton Association

www.northamptondna.com